# BEFORE THE WASHINGTON UTILITIES & TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION,

Complainant,

v.

AVISTA CORPORATION d/b/a AVISTA UTILITIES,

Respondent.

DOCKET NOS. UE-200900 and UG-200901 (Consolidated)

# ANDREA C. CRANE

# ON BEHALF OF THE WASHINGTON STATE OFFICE OF THE ATTORNEY GENERAL PUBLIC COUNSEL UNIT

# **EXHIBIT ACC-4r2**

Details of Washington Electric Revenue Requirement Adjustments

**April 21, 2021** 

SECOND REVISED JULY 16, 2021 AVISTA UTILITIES
WASHINGTON ELECTRIC RESULTS
TWELVE MONTHS ENDED DECEMBER 31, 2019

Actual Results Restatement Adjustments

(000'S OF DOLLARS) ROR ROR ROR Deferred Deferred Working Remove Eliminate Restate Uncollect. Regulatory Results of Debits and AMI B & O Capital Property Expense No. DESCRIPTION Operations Rate Base Credits Rate Base Taxes 1.03 Adjustment Number 1.00 1.01 1.02 1.04 2.01 2.02 2.03 2.04 E-ROO E-DFIT Workpaper Reference E-DDC E-WC E-AMI E-EBO E-RPT 0.52 E-RE REVENUES 48.50% 9% Total General Business \$546,549 \$0 \$0 \$0 \$0 (\$18,871) \$0 \$0 \$0 Interdepartmental Sales 1,228 Sales for Resale 53,430 Total Sales of Electricity 601,207 (18,871) Other Revenue 60,250 (14)Total Electric Revenue 661,457 (18,885) EXPENSES Production and Transmission Operating Expenses 170,553 89,083 Purchased Power Depreciation/Amortization 32,447 10 Regulatory Amortization (712) 11 16,489 12 Total Production & Transmission 307.860 351 Distribution Operating Expenses 26,747 13 14 Depreciation/Amortization 31,132 Regulatory Amortization 47,422 650 16 Total Distribution 105,301 (18,805) 650 17 9,916 52 1,437 18 Customer Service & Information 28,425 19 Sales Expenses 0 Administrative & General 55.880 Operating Expenses 37 20 35,595 Depreciation/Amortization 21 22 Regulatory Deferrals/Amortization (9,018)23 24 Total Admin. & General 82,457 37 533,959 Total Electric Expenses 57 (18,805)1,001 1,437 37 OPERATING INCOME BEFORE FIT 127,498 (57) (1,001)(1,437) (37) FEDERAL INCOME TAX (12) Current Accrual 4,963 (17) (210)(302)(8) 20 259 28 Debt Interest (0) (0) 29 Deferred Income Taxes 7,830 30 Amortized ITC - Noxon (318)NET OPERATING INCOME \$115,023 (\$1,135) 31 \$0 (\$45) (\$20) (\$259) (\$63) (\$791) (\$29) RATE BASE PLANT IN SERVICE 32 Intangible 211.035 \$0 \$0 \$0 (\$30,225) \$0 \$0 \$0 \$0 33 Production 930 160 509.897 34 Transmission 35 1.194.477 (19.146)Distribution 279.556 36 General (8,297)3,125,125 37 Total Plant in Service (57,668)ACCUMULATED DEPRECIATION/AMORT 38 Intangible (57,078)4,432 39 (382.437)Production 40 (147.016)Transmission 41 Distribution (358,989) 546 General (92,865) 1,200 43 Total Accumulated Depreciation (1,038,385) 6,178 44 NET PLANT 2.086,740 (51,490) 45 DEFERRED TAXES (418,971) 3,384 46 Net Plant After DFIT 1,667,769 47 (48,106) DEFERRED DEBITS AND CREDITS & OTHER 47 (2,096)(182)WORKING CAPITAL (3.752)48 44,462 49 TOTAL RATE BASE 1,710,135 \$47 (\$3,752) (\$48,288) \$0 \$0 \$0 \$0 RATE OF RETURN 6.73% 51 REVENUE REQUIREMENT 4,438 4 60 (317)(4,082) 84 1,047 1,503 39

WASHINGTON ELECTRIC RESULTS

TWELVE MONTHS ENDED DECEMBER 31, 2019 (000'S OF DOLLARS)

|          | S OF DOLLARS)  | Adjustment      |                  | T =                        | _                 |                |                          |                    |                                    |
|----------|--|-----------------|------------------|----------------------------|-------------------|----------------|--------------------------|--------------------|------------------------------------|
| Line     |  | Injuries<br>and | FIT/DFIT/<br>ITC | Office Space<br>Charges to | Restate<br>Excise | Net<br>Gains & | Weather<br>Normalization | Eliminate<br>Adder | Misc. Restating<br>Non-Util / Non- |
| No.      | DESCRIPTION Adjustment Number                        | Damages<br>2.05 | Expense<br>2.06  | Non-Utility<br>2.07        | Taxes<br>2.08     | Losses<br>2.09 | 2.10                     | Schedules<br>2.11  | Recurring Expenses<br>2.12         |
|          | Workpaper Reference                                  | E-ID            | E-FIT            | E-OSC                      | E-RET             | E-NGL          | E-WN                     | E-EAS              | E-MR                               |
|          | REVENUES   |                 |                  |                            |                   |                |                          |                    |                                    |
| 1        | Total General Business                               | \$0             | \$0              | \$0                        | \$0               | \$0            | (\$3,836)                | (\$21,727)         | \$0                                |
| 2        | Interdepartmental Sales                              | -               | -                | -                          | -                 | -              | -                        | -                  | -                                  |
| 3        | Sales for Resale                                     |                 | -                | <u> </u>                   | -                 | -              | (3,836)                  | (21,727)           | -                                  |
| 5        | Total Sales of Electricity Other Revenue             | -               | -                | _                          | -                 | -              | (3,836)                  | (21,727)           | -                                  |
| 6        | Total Electric Revenue                               | -               | -                | -                          | -                 | -              | (953)                    | (21,940)           |                                    |
|          | EXPENSES   |                 |                  |                            |                   |                |                          |                    |                                    |
|          | Production and Transmission                          |                 |                  |                            |                   |                |                          |                    |                                    |
| 7        | Operating Expenses                                   | =               | -                | =                          | -                 | -              | =                        | -                  | =                                  |
| 8        | Purchased Power                                      | -               | -                | -                          | -                 | -              | -                        | -                  | -                                  |
| 9<br>10  | Depreciation/Amortization<br>Regulatory Amortization | -               | -                | -                          | -                 | -              | -                        | 3,332              | -                                  |
| 11       | Taxes  | -               | -                | -                          | -                 | -              | -                        | 3,332              | -                                  |
| 12       | Total Production & Transmission                      | -               | -                | -                          | -                 | -              | -                        | 3,332              | -                                  |
|          | Distribution   |                 |                  |                            |                   |                |                          |                    |                                    |
| 13       | Operating Expenses                                   | -               | -                | -                          | -                 | -              | -                        | -                  | -                                  |
| 14       | Depreciation/Amortization                            | -               | -                | -                          | -                 | (58)           | -                        | -                  | -                                  |
| 1.5      | Regulatory Amortization                              |                 |                  |                            | 24                |                | (149)                    | (920)              |                                    |
| 15<br>16 | Taxes Total Distribution                             |                 |                  |                            | 34                | (58)           | (148)                    | (839)              |                                    |
|          |  |                 |                  |                            |                   | (30)           |                          |                    |                                    |
| 17       | Customer Accounting Customer Service & Information   | -               | -                | -                          | -                 | -              | (13)                     | (72)               | - 8                                |
| 18<br>19 | Sales Expenses                                       | -               | -                | -                          | -                 | -              | -                        | (26,835)           | 0                                  |
|          | •  |                 |                  |                            |                   |                |                          |                    |                                    |
| 20       | Administrative & General                             | 24              |                  | (52)                       |                   |                | (0)                      | (42)               | (1.000)                            |
| 20<br>21 | Operating Expenses Depreciation/Amortization         | 24              | -                | (52)                       | -                 | -              | (8)                      | (43)               | (1,232)                            |
| 22       | Regulatory Deferrals/Amortization                    | -               | -                | -                          | -                 | -              | -                        | 3,914              | -                                  |
| 23       | Taxes  | -               | -                | -                          | -                 | -              | =                        | -                  | =                                  |
| 24       | Total Admin. & General                               | 24              | -                | (52)                       | -                 | -              | (8)                      | 3,871              | (1,232)                            |
| 25       | Total Electric Expenses                              | 24              | -                | (52)                       | 34                | (58)           | (169)                    | (20,543)           | (1,224)                            |
| 26       | OPERATING INCOME BEFORE FIT                          | (24)            | -                | 52                         | (34)              | 58             | (784)                    | (1,397)            | 1,224                              |
|          | FEDERAL INCOME TAX                                   |                 |                  |                            |                   |                |                          |                    |                                    |
| 27       | Current Accrual                                      | (5)             | 1                | 11                         | (7)               | 12             | (165)                    | (293)              | 257                                |
| 28       | Debt Interest  | -               | -                | -                          | -                 | -              | -                        | -                  | -                                  |
| 29<br>30 | Deferred Income Taxes<br>Amortized ITC - Noxon       | -               | (4)              | -                          | -                 | -              | -                        | -                  | -                                  |
| 31       | NET OPERATING INCOME                                 | (\$19)          | \$3              | \$41                       | (\$27)            | \$46           | (\$619)                  | (\$1,104)          | \$967                              |
|          | RATE BASE  |                 |                  |                            |                   |                |                          |                    | -                                  |
|          | PLANT IN SERVICE                                     |                 |                  |                            |                   |                |                          |                    |                                    |
| 32       | Intangible   | \$0             | \$0              | \$0                        | \$0               | \$0            | \$0                      | \$0                | \$0                                |
| 33       | Production   | -               | -                | -                          | -                 | -              | =                        | -                  | =                                  |
| 34       | Transmission   | -               | -                | -                          | -                 | -              | -                        | -                  | -                                  |
| 35       | Distribution   | -               | -                | -                          | -                 | -              | =                        | -                  | -                                  |
| 36       | General  |                 | -                | _                          | -                 | -              | -                        | -                  | -                                  |
| 37       | Total Plant in Service                               | -               | -                | -                          | -                 | -              | -                        | -                  | -                                  |
| 38       | ACCUMULATED DEPRECIATION/AMORT Intangible            |                 |                  |                            |                   |                |                          |                    |                                    |
| 39       | Production   | -               | -                | -                          | -                 | -              | -                        | -                  | -                                  |
| 40       | Transmission   | -               | _                | -                          | _                 | -              | -                        | -                  | -                                  |
| 41       | Distribution   | -               | -                | -                          | -                 | -              | -                        | -                  | -                                  |
| 42       | General  |                 | -                | -                          | -                 | -              | -                        | -                  | -                                  |
| 43<br>44 | Total Accumulated Depreciation<br>NET PLANT          | -               | <u> </u>         | <u> </u>                   | -                 | -              | <u> </u>                 | -                  |                                    |
| 45       | DEFERRED TAXES                                       | -               | -                | -                          | -                 | _              | -                        | _                  | -                                  |
| 46       | Net Plant After DFIT                                 |                 |                  |                            |                   |                |                          |                    | <del>-</del>                       |
| 47       | DEFERRED DEBITS AND CREDITS & OTHER                  | =               | -                | -                          | -                 | -              | -                        | -                  | -                                  |
| 48       | WORKING CAPITAL                                      | =               | -                | -                          | -                 | -              | -                        | -                  | =                                  |
| 49       | TOTAL RATE BASE                                      | \$0             | \$0              | \$0                        | \$0               | \$0            | \$0                      | \$0                | \$0                                |
|          | RATE OF RETURN                                       |                 |                  |                            |                   |                |                          |                    |                                    |
| 50       |  |                 |                  |                            |                   |                |                          |                    |                                    |

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REVENUE REQUIREMENT

WASHINGTON ELECTRIC RESULTS

TWELVE MONTHS ENDED DECEMBER 31, 2019

(000'S OF DOLLARS) ROR ROR Adjustment Restating Restate Eliminate Nez Perce Normalize Authorized Restate 2019 Restated Debt WA Power Settlement CS2/Colstrip AMA Rate Incentives DESCRIPTION Interest Cost Defer Adjustment Major Main Base to EOP No. Supply 2.16 E-NPS Adjustment Number 2.13 2.14 2.15 2.17 2.19 R-T<sub>f</sub>l E-RDI Workpaper Reference E-RI E-EWPC E-PMM E-APS E-EOP19 REVENUES Total General Business \$0 \$0 \$1,740 \$0 \$0 \$0 \$0 \$503,855 Interdepartmental Sales 1,228 Sales for Resale (17,144)36,286 Total Sales of Electricity 1,740 (17,144) 541,369 Other Revenue (39,208)23,698 Total Electric Revenue 1,740 (56,352) 565,067 EXPENSES Production and Transmission 300 (926) 913 135,154 Operating Expenses (5) (35,686) Purchased Power (14,801) 74,282 Depreciation/Amortization 3,567 36,014 10 2,620 Regulatory Amortization 11 16,840 12 Total Production & Transmission 300 (926) (50,487) 4.480 264,910 Distribution Operating Expenses 26,747 13 14 Depreciation/Amortization (1,373) 29,701 Regulatory Amortization 28,381 16 Total Distribution 67 (1,373) 84,829 17 Customer Accounting 11 11,331 18 Customer Service & Information 1,598 19 Sales Expenses Administrative & General (1,276)3 53,333 20 Operating Expenses 35,247 Depreciation/Amortization (348)21 22 Regulatory Deferrals/Amortization (5,104)23 24 Total Admin. & General (1,276) (348)83,476 Total Electric Expenses (1,276)381 (5) (926)(50,487)2,759 446,144 OPERATING INCOME BEFORE FIT 1,276 1,359 5 926 (5,865)(2,759)118,923 FEDERAL INCOME TAX 268 194 (579) 3,883 Current Accrual 657 348 (1,232)28 Debt Interest (108)171 29 Deferred Income Taxes (63) 7,763 30 Amortized ITC - Noxon (318)NET OPERATING INCOME 31 1,008 (657) \$1,074 \$4 732 (\$4,633) (\$2,071) 107,424 RATE BASE PLANT IN SERVICE 32 Intangible \$0 \$0 \$0 \$0 \$0 \$0 \$2,079 \$182,889 33 Production 3 979 934.139 527,864 34 Transmission 17.967 35 6.849 1.182.180 Distribution 5.613 276.872 36 General 37 Total Plant in Service 36,487 3,103,944 ACCUMULATED DEPRECIATION/AMORT 38 Intangible (5.314)(57,960)(390,611) 39 Production (8.174)(3,771) (150,787) 40 Transmission 41 Distribution 316 (358,127) General 1,118 (90,547) 43 Total Accumulated Depreciation (1,048,031) (15,824) 44 NET PLANT 20,663 2.055,913 45 DEFERRED TAXES (416,057) 46 Net Plant After DFIT 20,146 1,639,856 DEFERRED DEBITS AND CREDITS & OTHER 47 (2,277)48 WORKING CAPITAL 40,710 49 TOTAL RATE BASE \$0 \$0 \$0 \$0 \$0 \$0 20,146 \$1,678,289 RATE OF RETURN

(1,335)

870

(1,422)

(969)

6,134

4,589

(5)

11,580

<sup>(1)</sup> The Restated TOTAL column does not represent 12/31/2019 Test Period Commission Basis results of operation on a normalized basis (CBR basis). Differences exist due to: 1) inclusion of proposed (Pro Forma) cost of debt (pro forma versus CBR actual cost of debt) impacting Adj. 2.14; 2) restating power supply expenses to <u>annualized</u> authorized Power Supply amounts in Adj 2.18 (revenue associated with the approved annual authorized level is included in ADj. 3.01 Pro Forma Normalization); and 3) the inclusion of Restate 2019 AMA Rate base to EOP adjustment 2.19.

#### Pro Forma Adjustments

WASHINGTON ELECTRIC RESULTS
TWELVE MONTHS ENDED DECEMBER 31, 2019
(000'S OF DOLLARS)

| (0003    | S OF DOLLARS)                               |                    |                          |                       | ROR                              |                           | Adjustment         |                    |                       |
|----------|---|--------------------|--------------------------|-----------------------|----------------------------------|---------------------------|--------------------|--------------------|-----------------------|
| Line     | DESCRIPTION                                 | Pro Forma<br>Power | Pro Forma Transmission   | Pro Forma<br>Revenue  | Pro Forma Def. Debits, Credits & | Pro Forma<br>ARAM<br>DFIT | Pro Forma<br>Labor | Pro Forma<br>Labor | Pro Forma<br>Employee |
| No.      | Adjustment Number                           | Supply<br>3.00P    | Revenue/Expense<br>3.00T | Normalization<br>3.01 | Regulatory Amorts 3.02           | 3.03                      | Non-Exec<br>3.04   | 3.05               | Benefits<br>3.06      |
|          | Workpaper Reference                         | E-PPS              | E-PTRAN                  | E-PREV                | E-PRA                            | E-ARAM                    | E-PLN              | E-PLE              | E-PEB                 |
|          | REVENUES                                    |                    |                          |                       |                                  |                           |                    |                    |                       |
| 1        | Total General Business                      | \$0                | \$0                      | \$25,496              | \$0                              | \$0                       | \$0                | \$0                | \$0                   |
| 2        | Interdepartmental Sales                     | -                  | -                        | -                     | -                                | -                         | -                  | -                  | -                     |
| 3        | Sales for Resale                            | 19,404             | -                        | -                     | -                                | -                         | -                  | -                  | -                     |
| 4        | Total Sales of Electricity                  | 19,404             | -                        | 25,496                | =                                | -                         | -                  | -                  | -                     |
| 5<br>6   | Other Revenue Total Electric Revenue        | 3,133<br>22,537    | 658<br>658               | (10,608)<br>14,888    | <u> </u>                         | _                         | -                  | -                  | -                     |
| 0        | Total Electric Revenue                      | 22,337             | 038                      | 14,000                | -                                | -                         | -                  | -                  | -                     |
|          | EXPENSES                                    |                    |                          |                       |                                  |                           |                    |                    |                       |
| -        | Production and Transmission                 | 0.006              | (447)                    |                       | 221                              |                           | (20                |                    | 407                   |
| 7<br>8   | Operating Expenses<br>Purchased Power       | 9,006<br>(3,499)   | (447)                    | -                     | 231                              | -                         | 630                | -                  | 427                   |
| 9        | Depreciation/Amortization                   | (3,499)            | -                        | -                     | -                                | _                         | -                  | -                  | _                     |
| 10       | Regulatory Amortization                     | -                  | -                        | -                     | (1,869)                          | _                         |                    |                    |                       |
| 11       | Taxes                                       |                    | -                        | -                     | -                                | -                         | -                  | -                  | -                     |
| 12       | Total Production & Transmission             | 5,507              | (447)                    | -                     | (1,638)                          | -                         | 631                | -                  | 427                   |
|          | Distribution                                |                    |                          |                       |                                  |                           |                    |                    |                       |
| 13       | Operating Expenses                          | _                  | _                        | _                     | _                                | _                         | 386                |                    | 268                   |
| 14       | Depreciation/Amortization                   | -                  | -                        | -                     | -                                | -                         |                    | -                  | -                     |
|          | Regulatory Amortization                     |                    |                          |                       |                                  |                           |                    |                    |                       |
| 15       | Taxes                                       |                    |                          | 984                   | -                                | -                         | -                  | -                  | -                     |
| 16       | Total Distribution                          | -                  | -                        | 984                   | -                                | -                         | 386                | -                  | 268                   |
| 17       | Customer Accounting                         | =                  |                          | 85                    | -                                | -                         | 169                | -                  | 122                   |
| 18       | Customer Service & Information              | -                  | -                        | -                     | =                                | -                         | 13                 | -                  | 12                    |
| 19       | Sales Expenses                              | -                  | -                        | -                     | -                                | -                         |                    |                    |                       |
|          | Administrative & General                    |                    |                          |                       |                                  |                           |                    |                    |                       |
| 20       | Operating Expenses                          | _                  |                          | 51                    | _                                | _                         | 558                | (318)              | 390                   |
| 21       | Depreciation/Amortization                   | -                  | =                        | -                     | _                                | -                         | -                  | ()                 | -                     |
| 22       | Regulatory Deferrals/Amortization           | -                  | -                        | -                     | (779)                            | -                         | -                  | -                  | -                     |
| 23       | Taxes                                       |                    | -                        | -                     | -                                | -                         | -                  | -                  | -                     |
| 24       | Total Admin. & General                      |                    | -                        | 51                    | (779)                            | -                         | 558                | (318)              | 390                   |
| 25       | Total Electric Expenses                     | 5,507              | (447)                    | 1,120                 | (2,417)                          | -                         | 1,757              | (318)              | 1,219                 |
| 26       | OPERATING INCOME BEFORE FIT                 | 17,030             | 1,105                    | 13,768                | 2,417                            | -                         | (1,757)            | 318                | (1,219)               |
|          | FEDERAL INCOME TAX                          |                    |                          |                       |                                  |                           |                    |                    |                       |
| 27       | Current Accrual                             | 3,576              | 232                      | 2,891                 | 508                              | -                         | (369)              | 67                 | (256)                 |
| 28       | Debt Interest                               | -                  | -                        | -                     | 4                                | -                         | -                  | -                  | -                     |
| 29       | Deferred Income Taxes                       | -                  | -                        | -                     | -                                | (485)                     | -                  | -                  | -                     |
| 30       | Amortized ITC - Noxon                       |                    | -                        | -                     | =                                | -                         | -                  | -                  | -                     |
| 31       | NET OPERATING INCOME                        | 13,454             | 873                      | 10,877                | \$1,905                          | \$485                     | (\$1,388)          | \$251              | (\$963)               |
|          | RATE BASE                                   |                    |                          |                       |                                  |                           |                    |                    |                       |
|          | PLANT IN SERVICE                            |                    |                          |                       |                                  |                           |                    |                    |                       |
| 32       | Intangible                                  | \$0                | \$0                      | \$0                   | \$0                              | \$0                       | \$0                | \$0                | \$0                   |
| 33       | Production                                  | -                  | -                        | -                     | -                                | -                         | -                  | -                  | -                     |
| 34       | Transmission                                | -                  | -                        | -                     | -                                | -                         | -                  | -                  | -                     |
| 35<br>36 | Distribution<br>General                     | -                  | -                        | -                     | -                                | -                         | -                  | -                  | -                     |
| 37       | Total Plant in Service                      |                    |                          |                       |                                  |                           |                    |                    |                       |
| 51       | ACCUMULATED DEPRECIATION/AMORT              |                    |                          |                       |                                  |                           | -                  | _                  | _                     |
| 38       | Intangible                                  | -                  | -                        | -                     | -                                | -                         | -                  | -                  | -                     |
| 39       | Production                                  | -                  | -                        | -                     | -                                | -                         | -                  | -                  | -                     |
| 40       | Transmission                                | -                  | -                        | -                     | -                                | -                         | -                  | -                  | -                     |
| 41       | Distribution                                | =                  | =                        | -                     | =                                | -                         | -                  | -                  | -                     |
| 42       | General T-t-1 A                             |                    | -                        | -                     |                                  | -                         | -                  |                    | -                     |
| 43<br>44 | Total Accumulated Depreciation<br>NET PLANT |                    | <u> </u>                 |                       | <u> </u>                         |                           | -                  |                    | -                     |
|          |   |                    |                          |                       |                                  |                           |                    |                    |                       |
| 45<br>46 | DEFERRED TAXES Net Plant After DFIT         |                    | -                        | -                     | -                                | -                         | -                  | -                  | -                     |
| 47       | DEFERRED DEBITS AND CREDITS & OTHER         | -                  | -                        | -                     | (766)                            | -                         | -                  | -                  | -                     |
| 48       | WORKING CAPITAL                             |                    | -                        | -                     | -                                | =                         | -                  | -                  | -                     |
| 40       | TOTAL DATE BASE                             | \$0                | \$0                      | \$0                   | (700                             |                           | \$0                | \$0                | 60                    |
| 49       | TOTAL RATE BASE                             | 20                 | \$0                      | \$0                   | (766)                            | -                         | 50                 | 20                 | \$0                   |
| 50       | RATE OF RETURN                              |                    |                          |                       |                                  |                           |                    | := =               |                       |
| 51       | REVENUE REQUIREMENT                         | (17,813)           | (1,156)                  | (14,401)              | (2,593)                          | (642)                     | 1,838              | (333)              | 1,275                 |
|          |   |                    |                          |                       |                                  |                           |                    |                    |                       |

WASHINGTON ELECTRIC RESULTS

TWELVE MONTHS ENDED DECEMBER 31, 2019 (000'S OF DOLLARS)

|             | •  | Adjustment Pro Forma | Adjustment Pro Forma | Pro Forma       | Pro Forma                | ROR<br>Pro Forma           | ROR<br>Pro Forma         | ROR<br>Pro Forma     | ROR<br>Pro Forma               |
|-------------|--|----------------------|----------------------|-----------------|--------------------------|----------------------------|--------------------------|----------------------|--------------------------------|
| Line<br>No. | DESCRIPTION  | Insurance<br>Expense | IS/IT<br>Expense     | Property<br>Tax | Fee Free<br>Amortization | 2020 Customer<br>At Center | 2020 Large<br>& Distinct | 2020<br>Programmatic | 2020 Mandatory<br>& Compliance |
|             | Adjustment Number                                    | 3.07                 | 3.08                 | 3.09            | 3.10                     | 3.11                       | 3.12                     | 3.13                 | 3.14                           |
|             | Workpaper Reference                                  | E-PINS               | E-PIT                | E-PPT           | E-PFEE                   | E-PCAP1                    | E-CAP2                   | E-CAP3               | E-CAP4                         |
|             | REVENUES   |                      |                      |                 |                          |                            |                          |                      |                                |
| 1 2         | Total General Business<br>Interdepartmental Sales    | \$0                  | \$0                  | \$0             | \$0                      | \$0                        | \$0                      | \$0                  | \$0                            |
| 3           | Sales for Resale                                     | <u>-</u>             | -                    | _               | -                        | -                          | _                        | -                    | -                              |
| 4           | Total Sales of Electricity                           | _                    | -                    | -               | -                        | -                          | -                        | -                    | -                              |
| 5           | Other Revenue  |                      | -                    | -               | -                        | -                          | -                        | -                    | -                              |
| 6           | Total Electric Revenue                               | -                    | =                    | -               | =                        | -                          | -                        | -                    | =                              |
|             | EXPENSES   |                      |                      |                 |                          |                            |                          |                      |                                |
| 7           | Production and Transmission                          |                      |                      |                 |                          |                            |                          |                      |                                |
| 7<br>8      | Operating Expenses Purchased Power                   | -                    | -                    | -               | -                        | -                          | -                        | -                    | -                              |
| 9           | Depreciation/Amortization                            | -                    | -                    | -               | -                        | -                          | 201                      | 193                  | 541                            |
| 10          | Regulatory Amortization                              | -                    | -                    | -               | -                        |                            | -                        | =                    | =                              |
| 11          | Taxes  |                      | -                    | 435<br>435      | -                        | -                          | - 201                    | - 102                | -                              |
| 12          | Total Production & Transmission                      | -                    | -                    | 435             | -                        | -                          | 201                      | 193                  | 541                            |
|             | Distribution   |                      |                      |                 |                          |                            |                          |                      |                                |
| 13          | Operating Expenses                                   | -                    | -                    | -               | -                        | -                          | -                        | (206)                | -                              |
| 14          | Depreciation/Amortization<br>Regulatory Amortization | -                    | -                    | -               | -                        | -                          | 47                       | 731                  | 155                            |
| 15          | Taxes  | -                    | _                    | 199             | -                        | _                          | _                        | -                    | -                              |
| 16          | Total Distribution                                   | -                    | -                    | 199             | -                        | -                          | 47                       | 525                  | 155                            |
| 17          | Customer Accounting                                  | -                    | _                    | _               | 97                       | _                          | _                        | -                    | -                              |
| 18          | Customer Service & Information                       | -                    | -                    | -               | -                        | -                          | -                        | -                    | -                              |
| 19          | Sales Expenses                                       | -                    | -                    | -               | -                        | -                          | -                        | -                    | -                              |
|             | Administrative & General                             |                      |                      |                 |                          |                            |                          |                      |                                |
| 20          | Operating Expenses                                   | 2,250                | 1,056                | _               | _                        | _                          | _                        | _                    | _                              |
| 21          | Depreciation/Amortization                            | -                    | -                    | -               | -                        | 2,042                      | (11)                     | 130                  | (27)                           |
| 22          | Regulatory Deferrals/Amortization                    | -                    | -                    | -               | 1,235                    | -                          | -                        | -                    | -                              |
| 23          | Taxes  | 2,250                | 1,056                | -               | 1,235                    | 2,042                      | (11)                     | 130                  | - (27)                         |
| 24          | Total Admin. & General                               |                      |                      |                 |                          | ·                          |                          |                      | (27)                           |
| 25          | Total Electric Expenses                              | 2,250                | 1,056                | 634             | 1,332                    | 2,042                      | 237                      | 848                  | 669                            |
| 26          | OPERATING INCOME BEFORE FIT                          | (2,250)              | (1,056)              | (634)           | (1,332)                  | (2,042)                    | (237)                    | (848)                | (669)                          |
| 27          | FEDERAL INCOME TAX Current Accrual                   | (473)                | (222)                | (133)           | (280)                    | (429)                      | (50)                     | (178)                | (140)                          |
|             | Debt Interest  | (473)                | (222)                | (133)           | (280)                    | (55)                       | (97)                     | (255)                | (198)                          |
| 29          | Deferred Income Taxes                                | -                    | -                    | -               | -                        | -                          | -                        | -                    | -                              |
| 30          | Amortized ITC - Noxon                                |                      | -                    | -               | -                        | -                          | -                        | -                    | -                              |
| 31          | NET OPERATING INCOME                                 | (1,778)              | (\$834)              | (\$501)         | (1,052)                  | (1,558)                    | (\$91)                   | (\$415)              | (\$331)                        |
|             | RATE BASE  |                      |                      |                 |                          |                            |                          |                      |                                |
|             | PLANT IN SERVICE                                     |                      |                      |                 |                          |                            |                          | 0.540                |                                |
| 32<br>33    | Intangible Production                                | \$0                  | \$0                  | \$0             | \$0                      | \$8,504                    | 1,704                    | \$649<br>1,831       | \$41<br>1,150                  |
| 34          | Transmission   | -                    | -                    | _               | -                        | -                          | 7,977                    | 6,737                | 24,579                         |
| 35          | Distribution   | -                    | -                    | -               | -                        | -                          | 1,761                    | 21,415               | 5,735                          |
| 36          | General  |                      | -                    | -               | -                        | (9)                        | 865                      | 1,403                | (71)                           |
| 37          | Total Plant in Service                               | -                    | -                    | -               | -                        | 8,495                      | 12,307                   | 32,035               | 31,434                         |
| 20          | ACCUMULATED DEPRECIATION/AMORT Intangible            |                      |                      |                 |                          | 1 966                      |                          | 190                  | 0                              |
| 38<br>39    | Production   | -                    | -                    | -               | -                        | 1,866                      | 1,332                    | 129                  | 8<br>263                       |
| 40          | Transmission   | _                    | _                    | -               | -                        | _                          | 617                      | 536                  | 2,019                          |
| 41          | Distribution   | -                    | -                    | -               | -                        | -                          | 841                      | 10,046               | 2,715                          |
| 42          | General  |                      | -                    | -               | -                        | 150                        | 3,429                    | 6,492                | 1,575                          |
| 43<br>44    | Total Accumulated Depreciation NET PLANT             | -                    | -                    | -               | -                        | 2,016<br>10,511            | 6,219<br>18,526          | 17,393<br>49,428     | 6,580<br>38,014                |
|             |  | _                    | _                    | _               | _                        |                            |                          |                      |                                |
| 45          | DEFERRED TAXES Net Plant After DFIT                  |                      | -                    | -               | -                        | (232)<br>10,279            | (520)<br>18,006          | (1,949)<br>47,479    | (1,187)<br>36,827              |
| 46          | DEFERRED DEBITS AND CREDITS & OTHER                  | -                    | -                    | -               | -                        |                            |                          |                      |                                |
| 46<br>47    |  | -                    | -                    | -               | -                        | -                          | -                        | -                    | -                              |
|             | WORKING CAPITAL                                      |                      |                      |                 |                          |                            |                          |                      |                                |
| 47<br>48    | WORKING CAPITAL TOTAL RATE BASE                      | \$0                  | \$0                  | \$0             | \$0                      | \$10,279                   | \$18,006                 | \$47,479             | \$36,827                       |
| 47<br>48    |  |                      | \$0                  | \$0             | \$0                      | \$10,279                   | \$18,006                 | \$47,479             | \$36,827                       |

WASHINGTON ELECTRIC RESULTS

TWELVE MONTHS ENDED DECEMBER 31, 2019

Revised to Reflect Filed 2019 Tax Retu

| Sales for Resale   | Restate<br>2019<br>ADFIT<br>3.21<br>E-RDFIT |              |                |          | -         | -         |           | *                         | -   |
|--|---|--------------|----------------|----------|-----------|-----------|-----------|---------------------------|-----|
| Adjustment Number   S.15   S.40   S.17   S.18   S.19   S.20   S | 3.21  | CS2/Colstrip | Colstrip Cap & | EIM      | WildFire  | AMI       | 2020      |                           |     |
| Northquere Reference   E-CAPS   E-AMI   E-WF   E-PEIM   E-PCOL   E-PMM   |   |              |                |          |           |           |           |                           | No. |
| Total General Business   S0   S0   S0   S0   S0   S1   |   |              |                |          |           |           |           |                           |     |
| Transmental Sales  |   |              |                |          |           |           |           |                           |     |
| Solar for Resale   | \$0   | \$0          | \$0            | \$0      |           |           |           |                           |     |
| Total Sales of Electricity   | -   | -            | -              | -        | -         | -         | -         |                           |     |
| Total Electric Revenue   | -   | -            | -              | -        | -         | -         | -         |                           |     |
| EXPENSES   Production and Transmission   Production   Product |   | -            | -              | -        | -         | -         |           |                           |     |
| Production and Transmission  | -   | =            | -              | =        | -         | -         | =         | Total Electric Revenue    | 6   |
| 7 Operating Expenses         -         -         995         1,691         -         33           8 Purchased Power         - </td <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td>   |   |              |                |          |           |           |           |                           |     |
| Purchased Power  |   | 33           | _              | 1 691    | 995       | _         | _         |                           | 7   |
| 1  | -   | -            | -              | -        | -         | -         | -         |                           |     |
| Taxes  | -   | -            |                |          |           | -         | -         |                           |     |
| Total Production & Transmission   -   1,005   1,808   (656)   33   | -   | -            | (2,534)        | -        |           | -         | -         |                           |     |
| 13   Operating Expenses  |   | 33           | (656)          | 1,808    |           | <u> </u>  |           |                           |     |
| 13   Operating Expenses  |   |              |                |          |           |           |           | Distribution              |     |
| Regulatory Amortization  |   | -            | =              | =        | 3,030     |           | -         |                           | 13  |
| Taxes  | -   | -            | -              | 5        | 24        | 1,870     | -         | Depreciation/Amortization | 14  |
| Total Distribution   |   |              |                |          |           |           |           |                           | 1.5 |
| 17   Customer Accounting   |   | <u> </u>     |                | 5        | 3,054     | 1.870     |           |                           |     |
| 18   Customer Service & Information   -  | _   | _            | _              | _        | _         | -,-,-     | _         |                           |     |
| Administrative & General  20 Operating Expenses  | -   | -            | =              | =        | -         | -         | -         |                           |     |
| Comparing Expenses   Compari | -   | -            | =              | =        | -         | =         | -         | Sales Expenses            | 19  |
| Comparing Expenses   Compari |   |              |                |          |           |           |           | Administrative & General  |     |
| Depreciation/Amortization   1,922   456   48   1,587   -   |   | -            | -              | -        | -         | (2,833)   | _         |                           | 20  |
| Taxes  | -   | -            | -              | 1,587    | 48        |           | 1,922     |                           | 21  |
| Total Admin. & General   1,922   7,756   48   1,587   -  |   | -            | -              | -        | -         | 10,133    | -         |                           |     |
| 1,922   9,626   4,107   3,400   (656)   33   32   34   34   34   34   34   34  |   |              | -              | 1 587    | 48        | 7 756     | 1 922     |                           |     |
| 26 OPERATING INCOME BEFORE FIT (1,922) (9,626) (4,107) (3,400) 656 (33 FEDERAL INCOME TAX  7 Current Accrual (404) (2,021) (862) (714) 138 (72   | _   |              |                |          |           |           |           |                           |     |
| FEDERAL INCOME TAX   Current Accrual   (404) (2,021) (862) (714)   138 (724)   (725) (72 |   |              | , , ,          |          |           |           |           | -                         |     |
| Current Accrual   (404) (2,021) (862) (714)   138 (728)  | =   | (33)         | 656            | (3,400)  | (4,107)   | (9,626)   | (1,922)   |                           | 26  |
| 28   Debt Interest   (55)   (92)   (9)   (66)   114     14   14   14   15   15   15  | _   | (7)          | 138            | (714)    | (862)     | (2.021)   | (404)     |                           | 27  |
| 29   Deferred Income Taxes   | 164   | (/)          |                |          |           |           |           |                           |     |
| STATE BASE   PLANT IN SERVICE   S6,445   S242   S7,753   S0   S0   S0   S0   S0   S0   S0   S  |   | -            |                | -        | ( )       |           |           |                           |     |
| RATE BASE  PLANT IN SERVICE  32 Intangible \$6,445 \$242 \$7,753 \$0 \$( 33 Production 3,637 5,769 - 34 Transmission - 495 1,503 - 35 Distribution - (24,366) 989 187 -  |   | -            | =              | =        | -         | =         |           | Amortized ITC - Noxon     | 30  |
| PLANT IN SERVICE           32         Intangible         \$6,445         \$242         \$7,753         \$0         \$0           33         Production         -         -         -         3,637         5,769         -           34         Transmission         -         -         495         1,503         -         -           35         Distribution         -         (24,366)         989         187         -         -  | (164)                                       | (26)         | 404            | (2,620)  | (\$3,236) | (\$7,513) | (\$1,464) | NET OPERATING INCOME      | 31  |
| 32     Intangible     \$6,445     \$242     \$7,753     \$0     \$0       33     Production     -     -     -     -     3,637     5,769     -       34     Transmission     -     -     -     495     1,503     -     -       35     Distribution     -     (24,366)     989     187     -     -   |   |              |                |          |           |           |           | RATE BASE                 |     |
| 33     Production     -     -     -     3637     5,769       34     Transmission     -     -     495     1,503     -       35     Distribution     -     (24,366)     989     187     -  |   |              |                |          |           |           |           |                           |     |
| 34 Transmission     -     -     495     1,503     -       35 Distribution     -     (24,366)     989     187     -   |   | \$0          |                |          | \$242     |           | \$6,445   |                           |     |
| 35 Distribution - (24,366) 989 187 -   | -   | -            | 3,709          |          | 495       | -         | -         |                           |     |
|  | -   | -            | -              |          |           | (24,366)  | -         |                           |     |
|  |   | -            | -              | 828      | -         |           | (140)     | General                   | 36  |
| (-),,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,  | -   | -            | 5,769          | 13,908   | 1,726     | (24,366)  | 6,305     |                           | 37  |
| ACCUMULATED DEPRECIATION/AMORT  38 Intangible 1,310 (42) (967) -   | _   | _            | _              | (967)    | (42)      |           | 1 310     |                           | 38  |
| 39 Production (92) (24,654)  | -   | _            | (24,654)       |          | (42)      | -         | -         |                           |     |
| 40 Transmission (6) (30) -   | -   | -            | -              |          | (6)       | -         | -         |                           | 40  |
| 41 Distribution - 2,632 (20) (4) -   | =   | -            | =              |          | (20)      | 2,632     | -         |                           |     |
| 42     General     2,773     - (57)     -       43     Total Accumulated Depreciation     4,083     2,632     (68)     (1,150)     (24,654)  |   | <del>-</del> | (24.654)       |          | (68)      | 2 632     |           |                           |     |
|  |   | <del>-</del> |                |          |           |           |           |                           |     |
| 45 DEFERRED TAXES (208) (14,330) (17) (181) 1,965  | (30,542)                                    | _            |                |          |           |           |           |                           | 45  |
|  | (30,542)                                    | -            |                |          |           |           |           |                           |     |
| 47 DEFERRED DEBITS AND CREDITS & OTHER - 53,155 (4,266)  | -   | -            | (4,266)        | -        | -         | 53,155    | -         |                           |     |
| 48 WORKING CAPITAL   | -   | -            | -              | -        | -         | -         |           | WORKING CAPITAL           | 48  |
| 49 TOTAL RATE BASE \$10,180 17,091 \$1,641 \$12,577 (\$21,186) \$0   | (\$30,542)                                  | \$0          | (\$21,186)     | \$12,577 | \$1,641   | 17,091    | \$10,180  | TOTAL RATE BASE           | 49  |
| 50 RATE OF RETURN  |   |              |                |          |           |           |           | RATE OF RETURN            | 50  |
| 51 REVENUE REQUIREMENT 2,871 11,513 4,434 4,621 (2,477) 35   | (2,582)                                     | 35           | (2,477)        | 4,621    | 4,434     | 11,513    | 2,871     | REVENUE REQUIREMENT       | 51  |

WASHINGTON ELECTRIC RESULTS

TWELVE MONTHS ENDED DECEMBER 31, 2019

(000'S OF DOLLARS) Adjustment Adjustment Adjustment

| (000)    | S OF DOLLARS)                                  | Adjustment | Adjustment | Adjustment      |                         |  |   |
|----------|--|------------|------------|-----------------|-------------------------|--|---|
|          |  | _          |            |                 | Base                    |  |   |
| Line     |  | Smart      | Substation | Grid<br>Modern. | Pro Forma               |  |   |
| No.      | Adjustment Number                              | Burn       | Rebuilds   | Modern.         | Total<br>PF-SubTtl      |  |   |
|          | Workpaper Reference                            |            |            |                 | rr-subtu                |  |   |
|          |  |            |            |                 |                         |  |   |
| 1        | REVENUES Table Control Projection              | 60         |            | 60              | 6520.251                |  |   |
| 1 2      | Total General Business                         | \$0        |            | \$0             | \$529,351<br>1,228      |  |   |
| 3        | Interdepartmental Sales                        | -          |            | -               | 55,690                  |  |   |
| 4        | Sales for Resale<br>Total Sales of Electricity |            |            | -               | 586,269                 |  |   |
| 5        | Other Revenue                                  | -          |            | -               | 16,881                  |  |   |
| 6        | Total Electric Revenue                         |            |            |                 | 603,150                 |  |   |
|          |  |            |            |                 | 000,100                 |  |   |
|          | EXPENSES                                       |            |            |                 |                         |  |   |
|          | Production and Transmission                    |            |            |                 | -                       |  |   |
| 7        | Operating Expenses                             | -          |            | -               | 147,720                 |  |   |
| 8        | Purchased Power                                | -          | (404)      | -               | 70,783                  |  |   |
| 9        | Depreciation/Amortization                      | (122)      | (101)      |                 | 38,731                  |  |   |
| 10<br>11 | Regulatory Amortization<br>Taxes               |            |            | -               | (1,783)<br>17,275       |  |   |
| 12       | Total Production & Transmission                | (122)      | (101)      | -               | 272,727                 |  |   |
| 12       | Total Floduction & Transmission                | (122)      | (101)      | -               | 212,121                 |  |   |
|          | Distribution                                   |            |            |                 | -                       |  |   |
| 13       | Operating Expenses                             | -          |            |                 | 30,225                  |  |   |
| 14       | Depreciation/Amortization                      | -          | (129)      | (265)           | 32,139                  |  |   |
|          | Regulatory Amortization                        |            |            |                 |                         |  |   |
| 15       | Taxes  |            |            | -               | 29,564                  |  |   |
| 16       | Total Distribution                             | -          | (129)      | (265)           | 91,928                  |  |   |
| 17       | Customer Accounting                            | =          |            | -               | 11,804                  |  |   |
| 18       | Customer Service & Information                 | -          |            | -               | 1,623                   |  |   |
| 19       | Sales Expenses                                 | -          |            | -               | -                       |  |   |
|          | *  |            |            |                 |                         |  |   |
|          | Administrative & General                       |            |            |                 |                         |  |   |
| 20       | Operating Expenses                             | -          |            | -               | 54,487                  |  |   |
| 21       | Depreciation/Amortization                      | -          | (13)       |                 | 41,381                  |  |   |
| 22       | Regulatory Deferrals/Amortization              | -          |            | -               | 5,485                   |  |   |
| 23       | Taxes  |            |            | -               | -                       |  |   |
| 24       | Total Admin. & General                         |            | (13)       | -               | 101,353                 |  |   |
| 25       | Total Electric Expenses                        | (122)      | (243)      | (265)           | 479,435                 |  |   |
|          |  |            |            |                 |                         |  |   |
| 26       | OPERATING INCOME BEFORE FIT                    | 122        | 243        | 265             | 123,715                 |  |   |
|          | FEDERAL INCOME TAX                             |            |            |                 |                         |  |   |
| 27       | Current Accrual                                | 26         | 51         | 56              | 4,889                   |  |   |
| 28       | Debt Interest                                  | 13         | 64         | -               | (297)                   |  |   |
| 29       | Deferred Income Taxes                          |            |            | -               | 7,278                   |  |   |
| 30       | Amortized ITC - Noxon                          | -          | -          | -               | (318)                   |  |   |
| 31       | NET OPERATING INCOME                           | 84         | 128        | \$209           | 112,162                 |  |   |
| 31       |  | 04         | 128        | 3209            | 112,102                 |  |   |
|          | RATE BASE                                      |            |            |                 |                         |  |   |
|          | PLANT IN SERVICE                               |            |            |                 |                         |  |   |
| 32       | Intangible                                     |            |            |                 | \$206,523               |  |   |
| 33       | Production                                     | (2,736)    |            |                 | 945,494                 |  |   |
| 34       | Transmission                                   | -          | (5,876)    | ,               | 563,279                 |  |   |
| 35       | Distribution                                   | -          | (6,411)    | (12,261)        | 1,169,229               |  |   |
| 36       | General  |            | (376)      | /****           | 279,372                 |  |   |
| 37       | Total Plant in Service                         | (2,736)    | (\$12,663) | (12,261)        | 3,163,897               |  |   |
|          | ACCUMULATED DEPRECIATION/AMORT                 |            |            |                 |                         |  |   |
| 38       | Intangible                                     | - 250      |            |                 | (55,595)                |  |   |
| 39       | Production                                     | 359        |            |                 | (\$413,274)             |  |   |
| 40       | Transmission                                   | -          | 131        | 2.72            | (147,520)               |  |   |
| 41       | Distribution                                   | -          | 150        | 372             | (341,395)               |  |   |
| 42<br>43 | General Total Accumulated Depreciation         | 359        | \$295      | 372             | (76,171)<br>(1,033,954) |  |   |
| 43       | NET PLANT                                      | (2,377)    | (12,368)   | (11,889)        | 2,129,943               |  |   |
|          |  | (2,377)    |            |                 |                         |  |   |
|          | DEFERRED TAXES                                 |            | 528        | 615             | (462,115)               |  |   |
| 46       | Net Plant After DFIT                           | (2,377)    | (11,840)   | (11,274)        | 1,667,828               |  |   |
|          | DEFERRED DEBITS AND CREDITS & OTHER            |            |            | -               | 45,846                  |  |   |
| 48       | WORKING CAPITAL                                |            |            | -               | 40,710                  |  |   |
| 49       | TOTAL RATE BASE                                | (\$2,377)  | (\$11,840) | (\$11,274)      | 1,754,384               |  |   |
|          |  |            |            | / /             |                         |  |   |
| 50       | RATE OF RETURN                                 | (220)      | (1.055)    | (1.210)         | 13.301                  |  | 1 |
| 51       | REVENUE REQUIREMENT                            | (329)      | (1,255)    | (1,310)         | 12,281                  |  |   |
|          |  |            |            |                 |                         |  |   |